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CANADA

MEDIA IN THE DIGITAL AGE: RECONCILING FEDERAL RESPONSIBILITIES TO OFFICIAL LANGUAGE MINORITY COMMUNITIES WITH NEW TRENDS

Report of the Standing Committee on Official Languages

The Honourable Denis Paradis, Chair

JUNE 2018
42nd PARLIAMENT, 1st SESSION

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Chair

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NOTICE TO READER

Reports from committees presented to the House of Commons

Presenting a report to the House is the way a committee makes public its findings and recommendations on a particular topic. Substantive reports on a subject-matter study usually contain a synopsis of the testimony heard, the recommendations made by the committee, as well as the reasons for those recommendations.

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has the honour to present its

ELEVENTH REPORT

Pursuant to its mandate under Standing Order 108(3)(*f*), the Committee has reviewed support programs for official language minority community media and has agreed to report the following:

NOTICE TO READER

Committee Member Paul Lefebvre recused himself from this study. He was substituted by Ruby Sahota (Meeting 94), Marwan Tabbara (Meeting 95), Jean-Claude Poissant (Meeting 96), Colin Fraser (Meeting 103), Francis Drouin (Meeting 105), Jean-Claude Poissant (Meeting 106), and Fayçal El-Khoury (Meeting 107).

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LIST OF RECOMMENDATIONS

As a result of their deliberations, committees may make recommendations which they include in their reports for the consideration of the House of Commons or the Government. Recommendations related to this study are listed below.

Recommendation 1

That the Treasury Board ensure that the funding allocated to official language minority community media under the *Action Plan for Official Languages – 2018-2023: Investing in Our Future* is available in the first year of the plan, and that the support programs be implemented as soon as possible. 21

Recommendation 2

That, within three months, the Government of Canada purchase at least $2 million in additional advertising in official language minority community media. 22

Recommendation 3

That the Treasury Board Secretariat amend paragraph 6.3.3 of the *Policy on Communications and Federal Identity* by replacing "Considers the needs of official language minority communities in Canada" with "Meets the objectives of the *Official Languages Act*, as set out in sections 11 and 30 and subsections 41(1) and 41(2) of the Act." 34

Recommendation 4

That the Treasury Board Secretariat issue a directive requiring Canada's Agency of Record to purchase advertising in official language minority communities' traditional and digital media as part of national advertising campaigns. 34

Recommendation 5

That Canadian Heritage add to the Canada Periodical Fund a specific component for publications that serve official language minority communities – taking into account their situations and financial challenges – that includes core funding, support for mailings and assistance with digital development. 39

Recommendation 6

That the Government of Canada introduce payroll tax incentives for official language minority community media for staff such as journalists, graphic designers and freelancers. 41

MEDIA IN THE DIGITAL AGE: RECONCILING FEDERAL RESPONSIBILITIES TO OFFICIAL LANGUAGE MINORITY COMMUNITIES WITH NEW TRENDS

INTRODUCTION

In the winter of 2018, the House of Commons Standing Committee on Official Languages (hereinafter the "Committee") launched a study on federal support programs for official language minority community (OLMC) media.

Marie Hélène Eddie, a doctoral student in sociology with a focus on media, told the Committee that "the media today are going through a period of major change. Both the anglophone and francophone media are encountering challenges."[1] In fact, all traditional media — television, radio and print — now have to contend with significant revenue loss. Many witnesses, including Richard Tardif, Executive Director of the Association des journaux régionaux du Québec, believe that these changes are due to the increased use of online advertising:

> Recent years have witnessed changing forces in media. Media staffs have been cut by a third since 2000. Major media company stock has fallen over the same period. No one is denying this. The root cause, according to many, is that the Internet has reduced the return that news outlets can earn by selling the attention of their consumers to advertisers.[2]

The media organizations that serve OLMCs – French-language newspapers and radio stations outside Quebec and English-language ones in Quebec – regardless of their corporate structure, face the same challenges as all media,[3] but also "special challenges in addition to those."[4] OLMC media have to grapple with:

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1 House of Commons Standing Committee on Official Languages (LANG), *Evidence*, 42nd Parliament, 1st Session, 7 February 2018, 1540 (Marie Hélène Eddie, Doctoral student in Sociology, University of Ottawa, As an Individual).

2 LANG, *Evidence*, 42nd Parliament, 1st Session, 21 March 2018, 1635 (Richard Tardif, Executive Director, Quebec Community Newspapers Association).

3 LANG, *Evidence*, 42nd Parliament, 1st Session, 7 February 2018, 1540 (Marie Hélène Eddie, Doctoral student in Sociology, University of Ottawa, As an Individual).

4 Ibid.

- a readership and audiences that are smaller and scattered over larger areas;[5]
- "fewer means and less resources than other media" in general;[6] and
- the fact that the "communities they attempt to support need assistance to ensure their vitality and development."[7]

The federal government has shifted to online advertising without providing increased support for OLMC media. In addition, in recent years, the federal government has neglected its responsibilities to OLMC media by significantly reducing its advertising with them.

The purpose of this report is to recommend positive measures to the Government of Canada to enable it to review its approach to support programs for OLMC media in order to achieve the objectives of the *Official Languages Act* and apply the principle of substantive equality.

1. Official language minority community media: community anchors

Pierre-Paul Noreau, President and Publisher of *Le Droit* and representative of the Coalition pour la pérennité de la presse d'information au Québec, explained how he sees media:

> The media are a mirror; they provide an open forum for people to meet, get to know each other, and talk; they are a meeting point. It is in the media that we discuss our successes and the challenges we face.[8]

Simply put, minority media support community vitality in three essential ways: by representing, uniting and informing communities.[9]

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5 Ibid.

6 Ibid.

7 Ibid.

8 LANG, *Evidence*, 42nd Parliament, 1st Session, 5 February 2018, 1640 (Pierre-Paul Noreau, President and Publisher, Le Droit, Coalition pour la pérennité de la presse d'information au Québec).

9 LANG, *Evidence*, 42nd Parliament, 1st Session, 7 February 2018, 1540 (Marie Hélène Eddie, Doctoral student in Sociology, University of Ottawa, As an Individual).

1.1. Representing communities

As Ms. Eddie explained, minority media outlets enable OLMCs "to see themselves and to remember that they exist and live in French and that the French fact is real."[10]

For Martin Théberge, President of the Fédération culturelle canadienne-française, "[h]aving access to locally produced and broadcast radio content builds pride in our identity and pushes us to express it, share it, and make it flourish around us."[11]

The capacity of OLMC media to reflect the reality of their communities stems from the fact that they are an integral part of the community sector:

> Local media are rooted in our communities. They understand us, and listen to us because they evolve with us, in our communities. They are strategic partners to our organizations, because they help us to build relations with our communities through information, involvement and participation. They are catalysts for our actions and our activities. The statistics bear this out: The penetration rates of community media into the communities' households vary between 54% and 83%, depending on the area.[12]

Melanie Scott, Editor of the *Low Down to Hull & Back News,* says that it is this connection that ensures her newspaper has a loyal audience:

> We are not the same thing as a big daily. Dailies have lost their audiences; we have not. We know our communities better than anyone else because we live and work in them. We are read cover to cover every week.[13]

Sharon McCully, Publisher of *The Sherbrooke Record,* said that the problem facing anglophones in Quebec's outlying areas is not so much access to English-language media but access to media that reports local information that directly affects them:

> While access to English media is not an issue for the English-speaking Quebecker as it is with the French-language minority outside of Quebec, the content of English media is rarely relevant to English-speaking people living off the Island of Montreal. For that reason, the presence of community papers is vital, particularly in remote areas, where

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10 Ibid.

11 LANG, *Evidence*, 42nd Parliament, 1st Session, 19 March 2018, 1635 (Martin Théberge, President, Fédération culturelle canadienne-française.

12 Ibid.

13 LANG, *Evidence*, 42nd Parliament, 1st Session, 19 March 2018, 1655 (Melanie Scott, Editor, *Low Down to Hull & Back News*).

> the local newspaper is the key source of news and information. We appreciate Minister Joly's saying that local journalism is a factor that she is considering.[14]

It should also be noted that OLMC media support their partners' activities by sponsoring ad space for OLMC organizations and editorial space for local initiatives and news coverage.[15]

1.2. Uniting communities

OLMC media also bring communities together: "[t]hey unite individuals who, in many cases, live in remote geographic areas but who, thanks to their media, are aware they are part of a community."[16] For example, OLMC media are among the few to provide rural coverage.[17]

Broadly speaking, the Fédération culturelle canadienne-française said that "community media influence social cohesion."[18] They are a bridge between the majority community and the minority community.[19] They also have a role in welcoming newcomers.[20] Maggy Razafimbahiny, Director General of the Fédération culturelle canadienne-française, shared her personal experience to illustrate this point:

> Our society is being transformed with the arrival of many newcomers. Having been a newcomer myself, about twenty years ago, I can say that local media play an absolutely essential role in helping newcomers adapt to the new society to which they belong, and also in developing a sense of shared identity that we want to have with other

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14 LANG, *Evidence*, 42nd Parliament, 1st Session, 26 March 2018, 1545 (Sharon McCully, Publisher, the Sherbrooke Record).

15 *La Liberté*, "Presentation to the Standing Committee on Official Languages by Sophie Gaulin, Executive Director and Editor-in-Chief since 2009," 5 February 2018, p. 20.

16 LANG, *Evidence*, 42nd Parliament, 1st Session, 7 February 2018, 1540 (Marie Hélène Eddie, Doctoral student in Sociology, University of Ottawa, As an Individual).

17 *La Liberté*, "Presentation to the Standing Committee on Official Languages by Sophie Gaulin, Executive Director and Editor-in-Chief since 2009," 5 February 2018, p. 20.

18 LANG, *Evidence*, 42nd Parliament, 1st Session, 19 March 2018, 1635 (Martin Théberge, President, Fédération culturelle canadienne-française).

19 LANG, *Evidence*, 42nd Parliament, 1st Session, 26 March 2018, 1550 (Sharon McCully, Publisher, the Sherbrooke Record).

20 LANG, *Evidence*, 42nd Parliament, 1st Session, 19 March 2018, 1635 (Martin Théberge, President, Fédération culturelle canadienne-française).

> francophones here. The community media are really the only ones that can help us in that way.[21]

1.3. Informing communities

As Ms. Eddie explained, "democracy is based on three formal powers: the executive, legislative, and judicial branches. We should also remember that the media form the fourth power."[22] In the francophone minority community, "that fourth power focuses on the French fact. These media organizations are the watchdogs of francophones' rights."[23] In fact, in many cases, local media are advocates for OLMCs:

> The francophone media are thus an instrument of combat for these groups. To borrow an image or a metaphor, they are the community's ears and voice. Their ears because minorities learn that their rights have been abused by reading the newspaper or listening to the radio. Their voice because, when minorities decide to organize and mobilize, they do so through the media. They circulate information in the community through radio and newspapers. They also speak to government through their media organizations, drawing the attention of politicians and dialoguing with government representatives. If these organizations are not strong, the community's ability to mobilize is limited.[24]

Sophie Gaulin, Executive Director and Editor-in-Chief of *La Liberté* in Manitoba, gave several examples of how *La Liberté* is a strong advocate for Franco-Manitobans:

> A few weeks ago in Manitoba, *La Liberté* discovered from a few sources that the provincial government was going to dismantle the Bureau de l'éducation française, its French-language education bureau. Not only did we uncover the whole story about the dismantling of this bureau, but we published dozens of letters to the editor in the newspapers I am distributing.
>
> People react in their newspaper. That is their way of protesting. They do not have access to a CBC microphone to say what they have to say. The only place they can do that is in their newspaper. They can do it on Facebook if they are members; they can do it on Twitter if they are members. But people do not have to subscribe to *La Liberté* to sound the alarm, to send a distress signal to say that the French-language education bureau is important to them.

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21 LANG, *Evidence*, 42nd Parliament, 1st Session, 19 March 2018, 1725 (Maggy Razafimbahiny, Director General, Fédération culturelle canadienne-française).

22 LANG, *Evidence*, 42nd Parliament, 1st Session, 7 February 2018, 1540 (Marie Hélène Eddie, Doctoral student in Sociology, University of Ottawa, As an Individual).

23 Ibid.

24 Ibid.

> It is the same thing with the French-language express clinic. It was locked up, shut down. It is finished, gone. *La Liberté* was there to cover the whole event. Otherwise no one would have noticed.
>
> In 2012, a Service Canada office was quietly closing its doors, and no one was taking notice. *La Liberté* was able to breakdown the rumours and show that the government was indeed about to close the Service Canada office right in Saint-Boniface, the bastion of the French language in western Canada. That is another role that a community newspaper serves.[25]

It is also important to note that, "in some regions, these outlets are some of the few remaining independent media organizations in a context in which media concentration is increasingly common and widespread."[26] That is the case of the independent anglophone newspaper *Low Down to Hull & Back News* in Wakefield, Quebec:

> [W]e are the one reliable anglophone source of news and information in our area. There is no other source people can turn to for objective, well-researched reporting.[27]

1.4. Supporting economic development

Lastly, we cannot ignore the fact that, as employers, OLMC media contribute to economic growth:

> Our private and not-for-profit francophone community media make a major contribution to expanding the francophone space across Canada. They enhance the economic vitality of our country by employing 550 professionals across the country. That figure represents only direct jobs and does not include the freelancers, printers, and vendors those media concerns also employ.[28]

In addition, in partnership with post-secondary institutions, OLMC media offer internships for students considering a career in journalism.

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25 LANG, *Evidence*, 42nd Parliament, 1st Session, 5 February 2018, 1645 (Sophie Gaulin, Executive Director and Editor-in-Chief, *La Liberté*).

26 LANG, *Evidence*, 42nd Parliament, 1st Session, 7 February 2018, 1540 (Marie Hélène Eddie, Doctoral student in Sociology, University of Ottawa, As an Individual).

27 LANG, *Evidence*, 42nd Parliament, 1st Session, 19 March 2018, 1655 (Melanie Scott, Editor, Low Down to Hull & Back News).

28 LANG, *Evidence*, 42nd Parliament, 1st Session, 7 February 2018, 1535 (Carol Jolin, President, Assemblée de la francophonie de l'Ontario).

The Fédération culturelle canadienne-française therefore believes that we must "encourag[e] and believ[e] in the potential of our communities' local media to create jobs and offer experience-based learning."[29]

For George Guzmas, Co-Publisher of *The North Shore News, Newsfirst Multimedia*, support for OLMC newspapers is also an investment in the economy and in many other sectors:

> In conclusion, by sustaining the viability of official-language papers, you will be sustaining thousands of jobs for middle-class Canadians. You'll be sustaining the newsroom and protecting Canadian journalism, sustaining jobs of our middle-class family employees who work in our newspapers, sustaining jobs for printers and their employees who print our papers, sustaining jobs in the paper mill industry and of their employees who produce the paper we print on, and sustaining jobs in the forest industry where paper material comes from. As you can see, sustaining official-language papers has positive employment repercussions in many other fields. That is the reality check of things.[30]

In the new *Action Plan for Official Languages – 2018-2023: Investing in Our Future*, the federal government announced an additional investment of $4.5 million over five years in Young Canada Works. This investment "will create 35 internships at English- and French-language minority community radio stations or newspapers" for students and recent graduates.[31]

2. Funding official language minority community media: advertising

Like subscriptions, advertising is a major source of revenue for community radio and newspapers.[32] In recent years, however, the volume of advertising, like subscription rates, has dropped.

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29 LANG, *Evidence*, 42nd Parliament, 1st Session, 19 March 2018, 1635 (Martin Théberge, President, Fédération culturelle canadienne-française.

30 LANG, *Evidence*, 42nd Parliament, 1st Session, 26 March 2018, 1600 (George Guzmas, Co-Publisher, The North Shore News, Newsfirst Multimedia).

31 Government of Canada, *Action Plan for Official Languages – 2018-2023: Investing in Our Future*, Ottawa, March 2018.

32 LANG, *Evidence*, 42nd Parliament, 1st Session, 5 February 2018, 1635 (Pierre-Paul Noreau, President and Publisher, Le Droit, Coalition pour la pérennité de la presse d'information au Québec).

2.1. Local partners

Some OLMC media representatives said that each year advertising by local partners drops by 10%.[33] This decrease can be explained in part by the fact that, until recently, federal support to OLMC organizations had not been indexed for several years.[34] The community sector therefore no longer had the means to support its own media.

2.2. The private sector

According to Mr. Noreau of *Le Droit*, advertising by national businesses has dropped by 25% a year.[35] This trend is due in part to the fact that businesses are increasingly using online and social media advertising. Mr. Noreau said that "Google and Facebook claim more than 70% of advertising dollars in Canada[36] owing to the visibility they offer and their low cost advertising.[37] For example, Google charges $3 for every 1,000 impressions.[38] To be profitable, *Le Droit* must charge $70 for every 1,000 impressions.[39] It's a massive imbalance.

Currently, the federal government does not seem to have any initiatives in place to encourage entrepreneurs to buy ads from Canadian media. In fact, at the time of writing, it is permitted under the *Income Tax Act* to "deduct the cost of advertising on all digital platforms", including foreign-owned platforms.[40]

2.2.1. Encouraging entrepreneurs through new tax measures

To encourage entrepreneurs to use Canadian media, some witnesses recommended that the federal government introduce new tax measures, including new tax credits for advertising in Canadian media.

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33 Ibid., 1640.

34 LANG, *Evidence*, 42nd Parliament, 1st Session, 5 February 2018, 1655 (Sophie Gaulin, Executive Director and Editor-in-Chief, *La Liberté*).

35 LANG, *Evidence*, 42nd Parliament, 1st Session, 5 February 2018, 1640 (Pierre-Paul Noreau, President and Publisher, Le Droit, Coalition pour la pérennité de la presse d'information au Québec).

36 Ibid.

37 Ibid.

38 Ibid., 1700.

39 Ibid.

40 Government of Canada, *Government Response to the Sixth Report of the Standing Committee on Canadian Heritage Entitled Disruption: Change and Churning in Canada's Media Landscape*, October 2017, p. 5.

In a report entitled *Disruption: Change and Churning in Canada's Media Landscape* (June 2017), the Standing Committee on Canadian Heritage recommended that the Government of Canada "amend sections 19 (newspapers), 19.01 (periodicals) and 19.1 (broadcasters) of the Income Tax Act to allow deduction of digital advertising on Canadian-owned platforms."[41] It also recommended that the Government of Canada "level the playing field ... by ensuring that foreign news aggregators, which publish Canadian news and sell advertising, directed to Canadians, are subject to the same tax obligations as Canadian providers."

In its response to the report of the Standing Committee on Canadian Heritage, the Government of Canada "acknowledges the Committee's recommendation to amend sections 19, 19.01, and 19.1 of the *Income Tax Act*."[42] The Government of Canada also "acknowledges the recommendation to subject foreign news aggregators to the same tax obligations as Canadian providers" and states that the "Department of Finance is examining the issue."[43]

2.3. The Government of Canada

2.3.1. Understanding Government of Canada advertising

Advertising by the Government of Canada is governed by the *Policy on Communications and Federal Identity*. This policy states that "Canadians increasingly use technology to communicate in their daily lives, and expect to interact with the government in the same way."[44] That said, it does not exclude the use of traditional media:

> Using new communications approaches that stem from the rise of digital technologies, **balanced with using traditional methods**, enables the Government of Canada to reach and engage with Canadians effectively and efficiently in the official language of their choice, regardless of where they reside.[45] [our emphasis]

It also states that institutions must use "a variety of media and platforms to maximize reach, including seeking innovative ways to use technology."[46]

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41 House of Commons, Standing Committee on Canadian Heritage (CHPC), 42nd Parliament, 1st Session, *Disruption: Change and Churning in Canada's Media Landscape*, June 2017, p. 77.

42 Government of Canada, *Government Response to the Sixth Report of the Standing Committee on Canadian Heritage Entitled Disruption: Change and Churning in Canada's Media Landscape*, October 2017, p. 5.

43 Ibid.

44 Treasury Board, *Policy on Communications and Federal Identity*.

45 Ibid.

46 Ibid.

In December 2017, the Standing Committee on Government Operations and Estimates presented a report entitled *Reaching Canadians with Effective Advertising*.[47] The government response was tabled on 16 April 2018, and it clearly stated that "departments are required to balance the use of traditional communications methods with digital communications technologies to meet the diverse information needs of the public and ensure they reach and engage with Canadians effectively and efficiently, and in the official language of their choice."[48]

Point 6.3.3 of the policy states that deputy heads must enable "communications with the public about policies, programs, services and initiatives" by ensuring that their department "[c]onsiders the needs of official language minority communities in Canada.[49]

The *Directive on the Management of Communications*, which supports the *Policy on Communications and Federal Identity*, assigns responsibilities to the following federal institutions: Privy Council Office, Public Services and Procurement Canada, Service Canada, Global Affairs Canada, and Library and Archives Canada.

Public Services and Procurement Canada is responsible for "[d]eveloping best practices and tools, including media planning tools, to reach audiences, including Indigenous, ethnocultural and official language minority communities."[50] More specifically, the department's Advertising Coordination and Partnerships Directorate is responsible for ensuring that advertising complies with the *Official Languages Act*:

> The Program Authority is responsible for issuing formal approval of media placements of advertising through an ADV number after reviewing for compliance with the *Official Languages Act* and the Federal Identity Program. It also coordinates the activities of the AOR for all media placements.[51]

Public Services and Procurement Canada authorizes the Government of Canada's Agency of Record to manage government advertising worth $25,000 or more. The Agency of Record is not a federal institution; it is a contractor: the communications firm Cossette

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47 Standing Committee on Government Operations and Estimates, 42nd Parliament, 1st Session, *Reaching Canadians with Effective Government Advertising*, December 2017.

48 Government of Canada, Government Response to the Twelfth Report of the Standing Committee on Government Operations and Estimates, *Reaching Canadians with Effective Government Advertising*, 16 April 2018, p. 4.

49 Treasury Board, *Policy on Communications and Federal Identity*.

50 Treasury Board, *Directive on the Management of Communications*.

51 Public Services and Procurement Canada, Contract EP361-151112/001/CZ with Cossette Communication Inc.

Inc. As regards official languages, the Agency of Record is responsible for establishing "systems and processes to enable timely implementation, management and coordination of GC [Government of Canada] advertising activities, in keeping with government acts, policies, procedures and standards."[52] This quite obviously includes the *Official Languages Act*.

The *Official Languages Act* includes elements that relate directly to the subject at hand. Section 11 reads as follows:

> A notice, advertisement or other matter that is required or authorized...to be published by or under the authority of a federal institution primarily for the information of members of the public shall,
>
> (a) wherever possible, be printed in one of the official languages in at least one publication in general circulation within each region where the matter applies that appears wholly or mainly in that language and in the other official language in at least one publication in general circulation within each region where the matter applies that appears wholly or mainly in that other language; and
>
> (b) where there is no publication in general circulation within a region where the matter applies that appears wholly or mainly in English or no such publication that appears wholly or mainly in French, be printed in both official languages in at least one publication in general circulation within that region.[53]

Moreover, section 30 of the Act states that federal institutions "shall communicate by using such media of communication as will reach members of the public in the official language of their choice in an effective and efficient manner that is consistent with the purposes of this Act."[54]

As to Part VII of the Act, the Government of Canada must implement positive measures "(a) enhancing the vitality of the English and French linguistic minority communities in Canada and supporting and assisting their development; and (b) fostering the full recognition and use of both English and French in Canadian society."[55]

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52 Ibid.

53 *Official Languages Act*, R.S.C., 1985, c. 31 (4th Supp.).

54 Ibid.

55 Ibid.

2.3.2. Advertising in official language minority community media in the digital age

Despite the provisions of the *Official Languages Act* and the commitment to OLMCs in the *Policy on Communications and Federal Identity*, an analysis of annual reports on Government of Canada advertising activities from 2010–2011 to 2016–2017 shows that the federal government is purchasing fewer and fewer ads in OLMC media.[56]

Figure 1 — Placements by the Agency of Record in Official Language Minority Community Media, 2010–2011 to 2016–2017

Year	Print[57]	Radio	Television[58]	Total
2010–2011	$1,064,969	$441,803	$251,447	$1,758,219
2011–2012	$901,388	$1,494,390	$123,601	$2,519,379
2012–2013	$732,451	$161,687	$330,548	$1,224,686
2013–2014	$432,388	$622,363	$80,918	$1,135,669
2014–2015	$422,269	$193,313	$79,514	$695,096
2015–2016	$285,969	$174,096	–	$460,065
2016–2017	$250,717	$254,925	–	$505,642

Source: Public Services and Procurement Canada, *Annual Report on Government of Canada Advertising Activities*: 2010–2011, 2011–2012, 2012–2013, 2013–2014, 2014–2015, 2015–2016, 2016–2017.

In 2016–2017, the Government of Canada spent $36.1 million on advertising, of which $33.3 million (92.2%) was purchased through the Government of Canada's Agency of Record. OLMC media received just over $0.5 million in government advertising.

The data in Figure 1 reflect only advertising by the Government of Canada's Agency of Record in official language media. They do not take account of advertising purchased directly by the various federal institutions. Under the *Policy on Communications and Federal Identity*, federal institutions can purchase advertising valued at less than $25,000 directly from media outlets without involving the Government of Canada's Agency of

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56 LANG, *Evidence*, 42nd Parliament, 1st Session, 5 February 2018, 1655 (Sophie Gaulin, Executive Director and Editor-in-Chief, *La Liberté*).

57 The report states that data for print excludes spending in magazines for some years.

58 Official language television includes spending in selected outlets only, not spending on national networks that reach mainstream audiences in addition to OLMCs.

Record.[59] In 2016–2017, 7.8% of advertising ($2.8 million) was purchased directly by federal institutions.[60] We do not know the percentage that OLMC media received.

Some witnesses, including Marie-France Kenny, argued that the federal government must repair the damage caused to OLMC media because of the gradual reduction in advertising purchases in recent years. Ms. Kenny believes that $1.5 million in advertising purchases per year would restore funding for OLMC media to its 2013 level.[61] For community newspapers such as *L'Eau Vive*, this amount of spending would provide annual revenue of $50,000.[62]

The Government of Canada's advertising purchases are a source of revenue for OLMC media. For the government, they are another way — besides the support programs that will be discussed in section 3 of this report — of sustaining OLMC media. Consequently, the Committee recommends:

Recommendation 1

That the Treasury Board ensure that the funding allocated to official language minority community media under the *Action Plan for Official Languages – 2018-2023: Investing in Our Future* is available in the first year of the plan, and that the support programs be implemented as soon as possible.

Recommendation 2

That the Government of Canada take funds previously allocated for national media advertising in the current budget and use them to immediately establish a special $2-million emergency fund, which will be disbursed promptly through national advertising contracts to media serving official language minority communities across the country.

2.3.3. Community concerns with the digital shift

What is meant by going digital? For a newspaper, in addition to writing and printing a hard copy, it might mean updating website content daily (sometimes even hourly),

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59 Public Services and Procurement Canada, *Annual Report on Government of Canada Advertising Activities 2016–2017*, Ottawa, 2018, p. 6.

60 Ibid., p. 7.

61 LANG, *Evidence*, 42nd Parliament, 1st Session, 19 March 2018, 1705 (Marie-France Kenny, President, Coopérative des publications fransaskoises).

62 Ibid., 1650.

managing a Facebook page and a Twitter account (among other social media) and making its products available on various digital broadcasting platforms.

For community radio, going digital means something different:

> For us, the digital model means that our signal is retransmitted most of the time. Our website contains community news. It provides information, on contests for instance, and so on. It's used to some degree to promote the station.
>
> However, the fact that our signal is available on the Internet helps us to reach people we could not reach before. People who work in Fort McMurray but live in Nova Scotia can listen to their Chéticamp radio. Providing access to that is important to us, but there is a cost involved, and there is practically no advertising available.[63]

The consortium for official language community media — the Association de la presse francophone, the Alliance des radios communautaires and the Quebec Community Newspapers Association —understands and accepts "the trend toward a digital presence."[64] Moreover, "this shift is an integral part of the aligned action plan"[65] it is proposing.

The problem according to most witnesses is that the digital shift was done to the detriment of OLMCs. The federal government prioritized online advertising without taking measures to meet the needs and challenges of OLMC media. While some radio stations and official language newspapers have been unable to keep up with the digital trend because of a lack of funding, others, because of a lack of government advertising, have been forced to shut down. Marie-France Kenny, President of the Coopérative des publications fransaskoises, explains the problem:

> I see no problem prioritizing online advertising. But, in my opinion, and in the opinion of the Commissioner of Official Languages at the time, it is a breach of the *Official Languages Act* to do so without first consulting the communities and taking into account the habits of our subscribers, and of the population of Saskatchewan, an aging one at that. It must also be recognized that a number of francophones in minority situations have no access to high-speed Internet and will therefore not be able to see government

63 LANG, *Evidence*, 42nd Parliament, 1st Session, 21 March 2018, 1700 (François Côté, Director General, Alliance des radios communautaires du Canada).

64 LANG, *Evidence*, 42nd Parliament, 1st Session, 21 March 2018, 1645 (Francis Sonier, President, Association de la presse francophone).

65 Ibid.

> advertising. If they had continued to be able to buy advertising on our websites and in our newspaper, they would still have been able to reach that readership.[66]

Ms. Kenny, like other witnesses, is critical of some of the methods used to determine what websites to advertise on:

> The problem lies in the fact that, with this shift to the Internet, the federal governments has decided to advertise, or not advertise, on websites based on their traffic. You must understand that our newspaper is in Saskatchewan, and it has 650 subscribers. So I will never compete with Google, Facebook, the Journal de Montréal, or even with other francophone newspapers in other provinces and territories. The more traffic on the sites, the more advertising there will be. Federal advertising has therefore disappeared from our francophone media. It has actually happened.[67]

As mentioned above, most OLMC newspapers do not have the capacity to develop digital content and feed social media content on a daily basis, let alone fund the creation of digital platforms. The situation of *L'Eau Vive* illustrates the reality of small OLMC newspapers:

> We have the equivalent of one and a half employees. Since more people subscribe to the paper version, the digital version is not the quickest one for us.
>
> I know that we are planning to invest in digital...However, to be able to do so, we need resources. We have a portal that we are struggling to update because we do not have the resources we need.[68]

Without a digital presence and a large audience, these media cannot raise revenue from government advertising, which they badly need.

As for OLMC newspapers that have gone digital, they said that the costs outweigh any savings.[69] Mélanie Scott said that while "we're constantly reminded that online is where we need to survive, online does not pay the bills. We're being forced to evolve into a medium that is more likely to bankrupt us than to ensure our survival."[70]

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66 LANG, *Evidence*, 42nd Parliament, 1st Session, 19 March 2018, 1645 (Marie-France Kenny, President, Coopérative des publications fransaskoises).

67 Ibid.

68 Ibid., 1650.

69 Assemblée de la francophonie de l'Ontario, *White Paper on Francophone Media in Ontario*, September 2017, p. 13.

70 LANG, *Evidence*, 42nd Parliament, 1st Session, 19 March 2018, 1655 (Melanie Scott, Editor, Low Down to Hull & Back News).

Sophie Gaulin, Executive Director and Editor-in-Chief of *La Liberté* in Manitoba, explained the negative impact the digital shift has had on her newspaper's viability:

> The Internet is not the solution. In fact, it's a problem for newspapers, and this is why. At our weekly paper, we had one or two journalists, an editor, and a graphic artist. When a weekly newspaper becomes a daily newspaper because it has to supply its website with content once or twice a day, every single day, more journalists, more proofreaders, more fact-checkers, more outings, more photographs, more video editors, more software, and more powerful computers are needed. How much money does all of that take? The same amount as before? No, half that amount.[71]

To conclude, Francis Sonier, President of the Association de la presse francophone, argued:

> Official language minority communities' realities cannot be compared to those of other communities. It is unthinkable that, in the coming years, community media would generate enough revenue through a digital platform to be able to continue their operations and serving their communities.[72]

2.3.4. Investigation by the Interim Commissioner of Official Languages

In June 2017, Ghislaine Saikaley, the Interim Commissioner of Official Languages, released a final investigation report in response to complaints that the Government of Canada prioritized online advertising over advertising in traditional OLMC media.[73] The investigation found that:

> federal institutions have largely shifted to the Internet for their advertising and that this trend has been growing for several years. The result has been a considerable reduction in the share of advertising dollars that go to community newspapers and radio stations across the country. However, this shift has not been caused by a specific directive...It is more the result of profound changes in the media environment.

The Interim Commissioner also noted that, "despite this shift toward the Internet, the requirements of the Act [*Official Languages Act*] are still in effect, and federal

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71 LANG, *Evidence*, 42nd Parliament, 1st Session, 5 February 2018, 1655 (Sophie Gaulin, Executive Director and Editor-in-Chief, La Liberté).

72 LANG, *Evidence*, 42nd Parliament, 1st Session, 21 March 2018, 1645 (Francis Sonier, President, Association de la presse francophone).

73 Office of the Commissioner of Official Languages, *Final Investigation Report of the Interim Commissioner of Official Languages. Public Works and Government Services Canada, Treasury Board of Canada Secretariat, Privy Council Office, Canadian Heritage*, Ottawa, June 2017.

institutions must continue to ensure their compliance with those requirements, in particular section 11, section 30 and Part VII...."[74]

2.3.5. Revising audit mechanisms to increase advertising in official language minority community media

Advertising in official language media promotes the implementation of the *Official Languages Act*. However, the Interim Commissioner noted that, at the time of her investigation, the audit mechanisms could not ensure that the Government of Canada's advertising complied with sections 11 and 30 and Part VII of the *Official Languages Act*.

As the Interim Commissioner explained, "the vast majority of advertisements and public notices under section 11 [of the *Official Languages Act*] are placed directly by federal institutions without being part of a media plan submitted for review by PWGSC [Public Services and Procurement Canada]." Therefore, Public Services and Procurement Canada "cannot confirm compliance, because it sees only very few of these advertisements in media plans."[75]

Regarding section 30, Public Services and Procurement Canada reports that it "verifies compliance."[76] However, the Interim Commissioner noted that the institution "could not confirm the effectiveness of federal institutions' media placements on the Internet."[77]

With regard to the implementation of Part VII of the *Official Languages Act*, the Interim Commissioner found that neither the Privy Council Office, the Treasury Board of Canada Secretariat, Public Services and Procurement Canada nor Canadian Heritage "demonstrated leadership, as they failed to respond to a situation they were clearly aware of and whose consequences could have hindered community newspapers and radio stations, which are development and vitality tools."[78] However, she noted that only Public Services and Procurement Canada and Canadian Heritage failed to fulfill their obligations under Part VII.[79]

According to the Interim Commissioner, Public Services and Procurement Canada "did not analyze the situation in light of Part VII ... to identify the consequences of federal

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74 Ibid., p. 31.

75 Ibid., p. 32.

76 Ibid.

77 Ibid.

78 Ibid.

79 Ibid.

institutions' shift toward the Internet and to try to find solutions to mitigate the negative impacts, if not to eliminate them."[80] The Interim Commissioner subsequently rejected Public Services and Procurement Canada's argument that the *Official Languages Act* cannot have been breached because the department "cannot modify or influence federal institutions' media plans."[81] The Interim Commissioner found this position difficult to reconcile with the fact that Public Services and Procurement Canada "ensures that these media plans are compliant with the Act, including with Part VII."[82]

As for Canadian Heritage, the Interim Commissioner found that it "was rather passive."[83] The department conducted an analysis "not based on community media and what they could contribute to development and vitality, but rather based on the fact that advertising is now done by Internet, and therefore media, including community media, must adapt."[84] The Interim Commissioner added that Canadian Heritage "did not conduct any impact analysis of the difficulties the digital shift causes for OLMC radio stations and newspapers, or of the consequences of this shift for OLMCs, and did not take any positive measures."[85]

As a result, the Interim Commissioner recommended that PSPC "review its compliance audit and control mechanisms to ensure that federal institutions have a better understanding of the requirements of Part VII of the *Official Languages Act*, that their media plans meet these requirements, and that the plans' compliance is verified properly."[86] She also recommended that PSPC and Canadian Heritage conduct an impact analysis of the federal government's shift to Internet advertising and that, based on that analysis, the departments adopt positive measures pursuant to Part VII of the *Official Languages Act*.[87]

2.3.6. Implementation of the Interim Commissioner's recommendations

The Consortium des médias des communautés de langue officielle told the Committee that it has been "facing major challenges in engaging all the affected government

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80 Ibid.

81 Ibid.

82 Ibid.

83 Ibid.

84 Ibid., pp. 32–33.

85 Ibid., p. 33.

86 Ibid.

87 Ibid., pp. 33–34.

authorities in the implementation of the aligned action plan that would meet the recommendations of the report and the urgent needs of official language community media."[88]

The Consortium reported that, as of the fall of 2017, it had "begun a series of meetings with a number of government representatives to move the file forward."[89] As mentioned above, it said it had proposed "an aligned action plan that would engage a number of affected departments through an interdepartmental approach."[90] The Consortium's representatives said they had "noted some openness at the Department of Canadian Heritage and have begun working with them."[91] However, they stated that they "ran into a brick wall" at PSPC.[92] They said, "Those in charge would accept no responsibility and sent the ball back into the court of the Treasury Board Secretariat and the Privy Council Office."[93]

Moreover, in December 2017 PSPC published a study on minority-language Canadians' media habits. This study was apparently ordered immediately after the Interim Commissioner's preliminary report was submitted, in September 2016. The Consortium stated that the study "has been criticized by many official language minority communities, both francophone or anglophone, owing to questionable methodology and worthless or invalid data, which will have cost Canadian taxpayers $200,000."[94]

Sophie Gaulin explained that part of that report was in fact an analysis of the results of a survey conducted by EKOS Research Associates Inc.[95] She believes the survey "was completely rigged. It was a catastrophe."[96] Ms. Gaulin made the following comments about the survey's methodology:

> Hold on to your hats: The methodology involved asking questions to more than 2,000 Canadians aged 18 or older. There's quite a large age bracket between 18 and 70.

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88 LANG, *Evidence*, 42nd Parliament, 1st Session, 21 March 2018, 1635 (François Côté, Director General, Alliance des radios communautaires du Canada).

89 Ibid.

90 Ibid.

91 Ibid.

92 Ibid.

93 Ibid.

94 Ibid.

95 LANG, *Evidence*, 42nd Parliament, 1st Session, 5 February 2018, 1710 (Sophie Gaulin, Executive Director and Editor-in-Chief, *La Liberté*).

96 Ibid.

> How many of those surveyed were 18 years old, how many were 40 years old, or 60 years old? This methodology was rather dodgy.
>
> We have written to the Director, Marc Saint-Pierre, about this issue. We were heard, but we're still waiting for an honest answer.[97]

Marie-France Kenny added the following information about the sampling used in the survey:

> if I remember correctly, 42% of the respondents weren't in a minority situation. I can also tell you that there were no data on the respondents' age and place of residence.
>
> Are they from Zenon Park, Saskatchewan, where high-speed Internet isn't yet available?
>
> Are they 72 years old or 16 and already seasoned users of social media?
>
> We can't know.[98]

The Consortium des médias des communautés de langue officielle reported that it was told about the study in September 2017. The Consortium said that, at the time, it told department officials "not to publish it and to comply with the *Official Languages Act* by redoing the study—this time also consulting the members of our consortium."[99] Yet, "those officials did not see it fit to accommodate our request and made their study public, as planned, in December 2017."[100]

The recommendations made by the Interim Commissioner in her final investigation report aim to correct procedural problems that are causing the increase in advertising purchases in social and Internet media, at the expense of traditional OLMC media. The Committee supports the Interim Commissioner's recommendations. The Committee also believes that some policies governing the federal government's advertising purchases should be changed. As noted above, advertising purchases are one way the government can fund OLMC media. However, it is important to note that these purchases are separate from the support programs that will be examined in section 3.

Regarding the rules for Government of Canada advertising purchases, the Committee recommends:

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97 Ibid.

98 LANG, *Evidence*, 42nd Parliament, 1st Session, 19 March 2018, 1715 (Marie-France Kenny, President, Coopérative des publications fransaskoises).

99 LANG, *Evidence*, 42nd Parliament, 1st Session, 21 March 2018, 1635 (François Côté, Director General, Alliance des radios communautaires du Canada).

100 Ibid.

Recommendation 3

That the Treasury Board Secretariat amend paragraph 6.3.3 of the *Policy on Communications and Federal Identity* by replacing "Considers the needs of official language minority communities in Canada" with "Meets the objectives of the *Official Languages Act*, as set out in sections 11 and 30 and subsections 41(1) and 41(2) of the Act."

Recommendation 4

That the Treasury Board Secretariat issue a directive requiring Canada's Agency of Record to purchase advertising in official language minority communities' traditional and digital media as part of national advertising campaigns.

3. Support Programs for the Development of Official Language Minority Community Media

In addition to advertising purchases, the federal government supports community newspapers through the Canada Periodical Fund.

In its report entitled *Disruption: Change and Churning in Canada's Media Landscape*, the Standing Committee on Canadian Heritage recommended that "federal institutions increase their dissemination of information in official languages, ethnic and Indigenous communities."[101] In its response to the report, the government stated that, while it is "dedicated to reaching Canada's official language, ethnocultural, and Indigenous communities, the Canada Periodical Fund is a more direct and tailored means of supporting community newspapers."[102]

The Standing Committee on Official Languages is not entirely satisfied with the government's response. First, it disregards the obligations set out in the *Official Languages Act* and the provision of the *Policy on Communications and Federal Identity* that concerns OLMCs. Second, as discussed below in section 3.1, the Canada Periodical Fund needs to be modified if it is to properly support OLMC media outlets.

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101 PHPC, 42nd Parliament, 1st Session, *Disruption: Change and Churning in Canada's Media Landscape*, June 2017, p. 79.

102 Government of Canada, *Government Response to the Sixth Report of the Standing Committee on Canadian Heritage Entitled* Disruption: Change and Churning in Canada's Media Landscape, October 2017, p. 8.

3.1. The Canada Periodical Fund

The Canada Periodical Fund (CPF) is a program managed by the Cultural Industries Branch of Canadian Heritage. It was created in 2010–2011 "to replace two earlier support programs for the periodical sector: the Canada Magazine Fund and the Publications Assistance Program."[103]

In 2015–2016, the CPF provided some $73 million in grants and contributions in order to implement the program's three components:[104]

- **Aid to Publishers**: This component provides financial assistance for the creation of content, production, distribution, online activities or business development;[105]
- **Business Innovation**: This component encourages innovation to adapt to changing market conditions and contributes to the diversity of content sought by Canadian readers;[106] and
- **Collective Initiatives**: This component supports broad-based marketing plans, research into new technologies and projects that tackle systemic issues affecting the sector.[107]

The witnesses criticized various aspects of the CPF. First, it appears that only $7 million, or about 9% of the CPF's total budget, was allocated to OLMCs in 2015–2016.[108]

Second, the CPF seems to be out of sync with the realities confronting OLMCs and their media. The CPF funds both journalistic and entertainment publications, which most likely do not face the same challenges as community newspapers. Ms. Gaulin explained the situation as follows:

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103 Canadian Heritage, Evaluation Services Directorate, *Evaluation of the Canada Periodical Fund (CPF) for the period 2010–11 to 2014–15*, 2015, p. 2.

104 Canadian Heritage, Publications, Plans and reports, *Departmental Performance Report (DPR), 2015–2016, of the Department of Canadian Heritage*, "Details on Transfer Payment Programs of $5 Million or More."

105 Canadian Heritage, Aid to Publishers – Canada Periodical Fund.

106 Canadian Heritage, *Business* Innovation – Canada Periodical Fund.

107 Canadian Heritage, *Collective Initiatives* – Canada Periodical Fund.

108 The Interim Commissioner of Official Languages noted that some complainants "stated that OLMC newspapers receive only $808,485 (or 1.2%) of the $68,837,598 allocated under the CPF." Source: Office of the Commissioner of Official Languages, *Final Investigation Report of the Interim Commissioner of Official Languages. Public Works and Government Services Canada, Treasury Board of Canada Secretariat, Privy Council Office, Canadian Heritage*, Ottawa, June 2017, p. 10.

> This sum of $75 million was shared between many papers that compete with mine, but do not face the same challenges as mine. The amount was never reviewed. We can say that $75 million isn't bad, but the worst part is that, for years now, only $7 million has been allocated to newspapers in official language minority communities.
>
> [...]
>
> The rest went to the following publications. *The Hockey News*, which is very important for our democracy, got $1.3 million; *TV Hebdo*, equally important to our democracy, got $1.5 million. Last year, *TV Week*, also a true staple, got $1 million. *Allô Vedettes*, which publishes feature articles on Céline Dion, got $218,000. *Good Times*, a magazine for retirees, got $588,000. *Flare* magazine got $408,000, and *Châtelaine* got $1.5 million.
>
> Can we all agree on the fact that, at some point, it would be important to allocate funding to general information newspapers?[109]

Ms. Scott also asserted that the CPF no longer meets the needs of OLMC newspapers. She believes there is a need for "a review of the CPF to ensure that anglophone and francophone publications that are vital to the communities they serve and are truly in need have a shot at surviving. The CPF needs to take a close look at what's happening out here in the real world of publishing."[110]

Third, the witnesses discussed the support for mailings that was previously provided to OLMC newspapers. Before the CPF was created in 2010, the federal government subsidized the cost of mailing out certain periodicals. This support was provided through the Publications Assistance Program and Canada Post. Ms. Gaulin explained: "This money didn't go into our pockets; it went directly to Canada Post. This represented a 50% decrease in mailing costs."[111] In other words, the program's preferential postage was a direct subsidy that was managed by creating separate Canada Post accounts for each registered title.

In 2010, the support for mailings was transferred to the Aid to Publishers component, which, as noted above, provides financial assistance for content creation, production, distribution, online activities or business development.

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109 LANG, *Evidence*, 42nd Parliament, 1st Session, 5 February 2018, 1715 (Sophie Gaulin, Executive Director and Editor-in-Chief, *La Liberté*).

110 LANG, *Evidence*, 42nd Parliament, 1st Session, 19 March 2018, 1655 (Melanie Scott, Editor, *Low Down to Hull & Back News*).

111 LANG, *Evidence*, 42nd Parliament, 1st Session, 5 February 2018, 1715 (Sophie Gaulin, Executive Director and Editor-in-Chief, *La Liberté*).

This restructuring apparently had the effect of taking away significant support from OLMC newspapers that, because of the uniqueness of the communities they serve, need to retain their print format. Some remote regions do not have access to the Internet service necessary to use newspaper websites.[112] Marie-France Kenny remarked that "Saskatchewan is big. A number of our communities are located in small, remote rural areas and have no high-speed Internet access."[113] The same was said of some mainly anglophone communities in Quebec: "many communities, like our Municipality of La Pêche, do not have access to high-speed Internet. Local newspapers are critical to the communities they serve. We connect people. We provide critical information that no one else provides."[114]

In some provinces and territories, there is only one French-language newspaper, and its readership is often widely dispersed. For example, Saskatchewan's French newspaper serves "13 remote communities. It takes eight hours to travel from the most remote to the other end."[115] These papers can hardly rely on street corner salespeople. Ms. Gaulin had the same thing to say about Manitoba: "Maybe one day polar bears will be able to deliver our papers, but for now we have to rely on the mail."[116] In short, only the postal service can deliver some official language newspapers.[117] Yet, since the cost of postage has increased from 62¢ to $1.00 per copy[118] and the subsidy for postage has declined, community newspapers are wondering whether Canadian Heritage took their needs into account when it restructured its support programs in 2010.

Government programs must undeniably take into account the specific characteristics of OLMCs. Furthermore, the principle of substantive equality must be applied. Ms. Eddie offered the following explanation: "We should also not put all minority community media organizations on the same footing as all other media. They perform very specific

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112 On this point, the Standing Committee on Canadian Heritage even recommended that the government continue working to "improve affordable broadband Internet access in Canada, with an emphasis on Northern Canada and rural and remote regions." Source: PHPC, 42nd Parliament, 1st Session, *Disruption: Change and Churning in Canada's Media Landscape*, June 2017, p. 77.

113 LANG, *Evidence*, 42nd Parliament, 1st Session, 19 March 2018, 1645 (Marie-France Kenny, President, Coopérative des publications fransaskoises).

114 LANG, *Evidence*, 42nd Parliament, 1st Session, 19 March 2018, 1655 (Melanie Scott, Editor, *Low Down to Hull & Back News*).

115 LANG, *Evidence*, 42nd Parliament, 1st Session, 19 March 2018, 1645 (Marie-France Kenny, President, Coopérative des publications fransaskoises).

116 LANG, *Evidence*, 42nd Parliament, 1st Session, 5 February 2018, 1715 (Sophie Gaulin, Executive Director and Editor-in-Chief, *La Liberté*).

117 Ibid., 1655.

118 Ibid.

roles in those communities in addressing specific needs. Once again, the idea is to provide assistance—which may be asymmetrical—to help those organizations survive and thus contribute to the vitality of the minority communities."[119]

In its report on the Canadian media landscape, the Standing Committee on Canadian Heritage recommended making changes to the CPF, including offering "greater support to Indigenous, ethnic and official language minority print media."[120]

The government's response stated that publishers of community newspapers, including those in OLMCs, "are afforded enhanced funding and special eligibility criteria to improve their access to the program." It also noted that "CPF support for official-language minority periodicals is complemented by the Community Life component of the Development of Official Languages Communities Program administered by the Official Languages Branch, which provides funding to minority-language media, including community newspapers, in order to encourage community sustainability."[121] Canadian Heritage's Official Languages Support Programs provided $1,899,660 to official language media in 2015–2016 ($1,171,020 to community radio and $728,640 to community press) and $1,359,439 in 2016–2017 ($696,402 to community radio and $663,037 to community press).

According to the "Details on Transfer Payment Programs of $5 Million or More" table of Canadian Heritage's 2015–2016 Departmental Performance Report, an evaluation of the CPF covering the period from 2010–2011 to 2014–2015 made the following recommendations to the department:

> a review of certain aspects of the program was recommended, specifically the eligibility criteria and the formula-funding approach, taking the digital aspect into account as well as the process for increasing administrative efficiency. The program should also enhance engagement with stakeholders to continue addressing the industry's changing needs.[122]

The next evaluation is planned for completion in 2020–2021.[123]

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119 LANG, *Evidence*, 42nd Parliament, 1st Session, 7 February 2018, 1610 (Marie Hélène Eddie, Doctoral student in Sociology, University of Ottawa, As an Individual).

120 PHPC, 42nd Parliament, 1st Session, *Disruption: Change and Churning in Canada's Media Landscape*, June 2017, p. 78.

121 Government of Canada, *Government Response to the Sixth Report of the Standing Committee on Canadian Heritage Entitled* Disruption: Change and Churning in Canada's Media Landscape, October 2017, p. 2.

122 *Departmental Performance Report (DPR), 2015–2016, of the Department of Canadian Heritage*, "Details on Transfer Payment Programs of $5 Million or More."

123 Ibid.

In the *Action Plan for Official Languages – 2018–2023: Investing in Our Future*, the federal government stated that it will "continue to support official-language minority community print publications through the Canadian [sic] Periodical Fund."[124]

In light of the above, the Committee recommends:

Recommendation 5

That Canadian Heritage add to the Canada Periodical Fund a specific component for publications that serve official language minority communities – taking into account their situations and financial challenges – that includes core funding, support for mailings and assistance with digital development.

3.2. New tax measures

To help OLMC media – particularly community newspapers – some witnesses proposed a new tax credit to support media that produce original Canadian news content.[125] More specifically, the tax credit would apply to payroll expenses at general daily and weekly newspapers in Canada, with a larger benefit for minority official-language newspapers.[126]

Mr. Noreau explained the usefulness of such a tax credit as follows:

> The tax credit, which applies solely to news and excludes entertainment, operates at a rate of about 30%. We have 25 journalists in our newsroom. They make up a third of our 78-member staff. That said, they are paid the most. Staff members in other sections usually earn less. That provides some relief. The government places value on the production of news. Otherwise, it would be anything goes, as Mr. Généreux mentioned. We should not support a situation where anything goes.[127]

Ms. Gaulin called the tax credit a "win-win" solution:

> If the government is counting on the salaries of journalists, if it has to give payroll tax credits for the production of a newspaper of original Canadian content, it will be happy

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124 Government of Canada, *Action Plan for Official Languages – 2018–2023: Investing in Our Future*, Ottawa, March 2018.

125 LANG, *Evidence*, 42nd Parliament, 1st Session, 5 February 2018, 1705 (Pierre-Paul Noreau, President and Publisher, *Le Droit*, Coalition pour la pérennité de la presse d'information au Québec).

126 *La Liberté*, "Presentation to the Standing Committee on Official Languages by Sophie Gaulin, Managing Editor Since 2009," 5 February 2018, p. 23.

127 LANG, *Evidence*, 42nd Parliament, 1st Session, 5 February 2018, 1705 (Pierre-Paul Noreau, President and Publisher, *Le Droit*, Coalition pour la pérennité de la presse d'information au Québec).

> because it will have quality information: journalists will have done some research because they will have time to do it. When one journalist does research, there are three others who are writing.
>
> The solution is also win-win, because the readers are also winners. For newspapers, the biggest expense is wages, not printing. In any event, that's the case for *La Liberté*. The digital version still needs to be fed.[128]

The Committee believes that a tax measure to support the viability of original Canadian content would be beneficial. Consequently, it recommends:

Recommendation 6

That the Government of Canada introduce payroll tax incentives for official language minority community media for staff such as journalists, graphic designers and freelancers.

To offset the costs associated with the digital shift (equipment, staff training, etc.),[129] the witnesses proposed a number of options, including the creation of a retroactive financial assistance program or even "bridge funding equivalent to one half-time salary for all private and not-for-profit community media organizations so they can offer up-to-date and enriched digital content."[130]

The Standing Committee on Canadian Heritage recommended that "the Government of Canada introduce a tax credit to compensate print media companies for a portion of their capital and labour investments in digital media. This would be a temporary five-year measure."[131] The government acknowledged this recommendation in its response to the report.[132]

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128 LANG, *Evidence*, 42nd Parliament, 1st Session, 5 February 2018, 1725 (Sophie Gaulin, Executive Director and Editor-in-Chief, *La Liberté*).

129 LANG, *Evidence*, 42nd Parliament, 1st Session, 5 February 2018, 1645 (Pierre-Paul Noreau, President and Publisher, *Le Droit*, Coalition pour la pérennité de la presse d'information au Québec); *La Liberté*, "Presentation to the Standing Committee on Official Languages by Sophie Gaulin, Managing Editor Since 2009," 5 February 2018, p. 23.

130 LANG, *Evidence*, 42nd Parliament, 1st Session, 7 February 2018, 1535 (Carol Jolin, President, Assemblée de la francophonie de l'Ontario).

131 PHPC, 42nd Parliament, 1st Session, *Disruption: Change and Churning in Canada's Media Landscape*, June 2017, p. 77.

132 Government of Canada, *Government Response to the Sixth Report of the Standing Committee on Canadian Heritage Entitled* Disruption: Change and Churning in Canada's Media Landscape, October 2017, p. 5.

4. The Action Plan for Official Languages – 2018–2023: Investing in our Future

In addition to providing $4.5 million over five years to create internships at OLMC newspapers and radio stations, the new *Action Plan for Official Languages – 2018–2023: Investing in our Future* promises to create the $10-million Community Media Strategic Support Fund. Over the next five years, this fund will "give financial support to projects that help sustain official-language minority community media – both radio and newspapers."[133] Little information about this new support fund is currently available, aside from the fact that it will go toward collaborative initiatives.

Above and beyond the *Action Plan for Official Languages – 2018-2023*, there is a need to look for solutions to the structural problems with advertising purchases, which are highlighted in section 2.3 of this report and referred to in the Committee's recommendations 3 and 4.

5. Conclusion

The issue of support for OLMC media shows that the success of Canada's Official Languages Program depends in large part on the leadership of federal institutions, including those that have horizontal coordination obligations in the area of official languages.

A number of instruments and tools – laws, policies and directives, and compliance audit procedures – were in place to protect and perhaps even promote the development of OLMC media during the digital shift that has occurred in advertising. However, breaches of the *Official Languages Act*, misunderstandings of the horizontal coordination role that certain federal institutions must play in official languages matters and failures to apply the principle of substantive equality have endangered a sector that is vitally important to OLMCs.

The Committee urges the federal government to act quickly to ensure its responsibilities to OLMCs encompass new media trends.

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133 Government of Canada, *Action Plan for Official Languages – 2018–2023: Investing in Our Future*, Ottawa, March 2018.

APPENDIX A
LIST OF WITNESSES

Organizations and Individuals	Date	Meeting
Coalition pour la pérennité de la presse d'information au Québec	2018/02/05	88
Pierre-Paul Noreau, President and Publisher, Le Droit		
La Liberté		
Sophie Gaulin, Executive Director and Editor-in-Chief		
As an individual	2018/02/07	89
Marie Hélène Eddie, Doctoral student in Sociology University of Ottawa		
Assemblée de la francophonie de l'Ontario		
Carol Jolin, President		
Bryan Michaud, Policy Analyst		
Coopérative des publications fransaskoises	2018/03/19	94
Marie-France Kenny, President		
Fédération culturelle canadienne-française		
Martin Théberge, President		
Marie-Christine Morin, Assistant Director		
Maggy Razafimbahiny, Director General		
Low Down to Hull & Back News		
Melanie Scott, Editor		
Alliance des radios communautaires du Canada	2018/03/21	95
François Côté, Director General		
Association de la presse francophone		
Linda Lauzon, Director General		
Francis Sonier, President		
Quebec Community Newspapers Association		
Richard Tardif, Executive Director		

Organizations and Individuals	Date	Meeting
Aylmer Bulletin Lily Ryan, Publisher and Managing Editor	2018/03/26	96
Newsfirst Multimedia George Guzmas, Co-Publisher The North Shore News		
The Sherbrooke Record Sharon McCully, Publisher		

APPENDIX B
LIST OF BRIEFS

Organizations and Individuals

Fédération culturelle canadienne-française

La Liberté

REQUEST FOR GOVERNMENT RESPONSE

Pursuant to Standing Order 109, the Committee requests that the government table a comprehensive response to this Report.

A copy of the relevant *Minutes of Proceedings* (Meetings Nos. 88, 89, 94 to 96, 103, and 105 to 107) is tabled.

Respectfully submitted,

Hon. Denis Paradis, PC, MP
Chair